

Special to The New York Times.

WASHINGTON, Sept. 20.—Following is the text of the speech delivered last night by Allen W. Dulles, director of the Central Intelligence Agency before the Advertising Council Inc., in San Francisco:

It is a privilege to have this opportunity to recognize publicly the generosity of the Advertising Council in devoting so great a share of its time and resources in the general welfare.

You have freely supported those great causes which promote domestically and internationally the ideals of our people. You have been in the forefront of campaigns to alert the people of this country to the dangers of alien and destructive movements such as international communism.

As one in Government who has had the opportunity of judging of the effectiveness of this work, I wish to express gratitude.

It may seem a bit paradoxical that the Director of Central Intelligence should be addressing the Advertising Council. You represent the trend, which seems quite irresistible, that "it pays to advertise."

I am the head of the silent service and cannot advertise my wares. Sometimes, I admit, this is a bit irksome.

Often we know a bit more about what is going on in the world than we are credited with, and we realize a little advertisement might improve our public relations. For major reasons of policy, however, public relations must be sacrificed to the security of our operations.

You and we, however, have much in common. We are both deeply concerned with the impact of ideas on human behavior.

In carrying out one of the Central Intelligence Agency's important tasks, that of estimating future developments in the foreign field, the ability to analyze public reactions is essential in our job. We, as you, have to judge whether ideas have a transitory value or will have an enduring effect upon the behaviors of people.

Ideas 'a Fascinating Study'

In particular, it is a fascinating study to follow the development of the ideas behind certain of the great revolutionary movements. Some such movements were promoted by religious fervor, some by brute military force, many by a combination of might and assertions of right. These movements have had their day, long or short.

Some have had broad geographic appeal. Some were limited to a particular area, and the history of some has never really been deciphered. Our civilization, despite the dark ages, has been tough enough to survive the most vigorous and long-lived revolutionary assaults on mind and body.

Tonight I propose to give you the results of an analysis of the recent happenings within the Soviet Communist

world, and I shall be bold enough to draw certain conclusions which support my conviction that radical changes are taking place and more are in the making.

The initial ideological fervor, I believe, is seeping out of the international revolutionary Communist movement, particularly in the Soviet Union. Marxism was not designed for the atomic age of the mid-twentieth century.

Effective as communism has been in establishing control of the two powerful nations and imposing its will on a number of satellite countries, it is beginning to encounter difficulties in coping with the complex industrial and technological problems of today.

Further, while some of the industrial and military achievements of both the U. S. S. R. and Communist China have stirred the pride of its citizens, communism has failed to devise a political system capable of commanding the loyalties of governed peoples without resort to the cruel barbarities of mass terror. It has satisfied neither the ideals, the aspirations nor the needs of the people subject to its domination.

Reds Held Forced to Review

Accordingly, the leaders of international communism are being forced to review their situation and to consider major changes, changes which strike at the very heart of the system.

The theories of Marx and Lenin proved useful window-dressing behind which the Communists established their monopoly of political power—the so-called dictatorship of the proletariat. These ideas are of little aid in guiding the Communist dictatorship in meeting the challenge of the world today.

What prophet is there left in Soviet Russia? Marx and Lenin are given lip service, but their advice and counsel have little applicability today. Stalin has been discredited, though his embarrassing remains are still on view in the Kremlin.

[Nikita S.] Khrushchev is unlikely to blossom out as a creator of new Communist doctrine though his impetuosity and unpredictability remain a matter of grave concern in an international situation as tense as that of today. Mao [Tse-tung] retains his role as a prophet in China, but he, too, is having his troubles.

When Stalin disappeared from the scene a little less than five years ago, he left a clouded heritage. His later years of dictatorship had brought the Soviet Union close to war and disaster.

Ventures in Greece, at Berlin and finally in Korea had opened the eyes even of the

credulous abroad. Domestically, harsh measures of forced industrialization and military build-up, successful as they were technologically, had left little place for meeting the needs of the people.

Moreover, the systematic cruelties of the secret police

on the Soviet Union

had created popular unrest, suspicion and despair. Khrushchev told us the story of how terror-ridden Soviet life had become in his now well-

known secret speech at the twentieth party congress over a year ago, a speech still unpublished in the Communist world. It was too strong medicine for popular consumption, although bits and pieces of it were allowed to leak out.

Stalinists' Tasks Noted

Stalin's successors had the difficult task of tempering a dictatorship but yet maintaining complete authority, of doing away with the Stalinist type of secret-police repression and yet keeping the people under iron discipline, of maintaining a tight rein but still creating the impression, and giving some of the substance of a new measure of freedom.

[Lavrenti P.] Beria found it hard to fit into this picture. He did not want to relinquish his personal control of the secret police through which he hoped to gain the top position. His plot was discovered and he was liquidated. Since then the military seems to have become the decisive element where force or the threat of force was required to support a political decision.

After the Beria crisis, we were told that the dictatorship, more properly described as a collective dictatorship. True enough, the crisis of readjustment to the post-Stalin era brought together in uneasy harmony the surviving members of the governing body known as the Presidium of the party.

Many here at home and abroad wrongly estimated that this might be an enduring form of government. Actually, bitter personal rivalries and basic differences of philosophies and outlook remain unreconciled.

The ultimate authority to make crucial decisions must rest firmly somewhere, and that "somewhere" is unlikely for long to be in a collective. Majority rule is appropriate for legislative and judicial bodies, but it does not function satisfactorily in the executive field, where decisiveness of action is essential.

Malenkov's Role Recalled

For a time after Stalin's disappearance from the scene, [Georgi M.] Malenkov tried to lead the collective team, seemingly down a course which promised a better break for the people than they had ever had before. In 1955, he was forced to confess his incapacity, and Khrushchev took over, committing himself, like his predecessor, to the collective-rule formula.

Then, last June, the inevitable irreconcilable conflict of opinions emerged, the collective broke down and, with the approval of the military, in particular [Marshal Georgi K.] Zhukov, Khrushchev eliminated his rivals—[Vyacheslav M.] Molotov and [Lazar

M.] Kaganovich, who really felt that the old Stalinist and foreign policies were preferable, and Malenkov, who due to his long years of political experience, and apparent popularity, was a dangerous potential rival.

At the moment, Khrushchev is busily engaged in implicating Malenkov in the crimes of Stalin's later days, classing him as "shadow and tool" of Beria. Since Beria was shot for treason, the threat to Malenkov is naked enough for all to see.

So the history of Soviet governmental changes repeats itself, although in a slightly different pattern from that of the two previous decades.

Those recently purged have not yet been liquidated, like Beria, or eliminated by mock trials such as those of the late Nineteen Thirties. With a touch of almost sardonic humor, the miscreants have been assigned to the oblivion of Siberia or the darkness of Outer Mongolia.

It was the hand-picked Central Committee of the Communist party, with the backing of the army, which played the decisive role in last summer's changes in the high command. This suggests that the Presidium on its own can no longer deal with recalcitrant members, at least in a situation where the issues are closely drawn and where those to be eliminated are not in a hopeless minority.

Called Camouflage

The claim that the purpose of these changes was to get back to the pure Leninist communism of the past is camouflage. No differing theories of Communist and Marxist dogma played a decisive role in this struggle.

It was a question of power politics in a situation where hard decisions had to be made in both the domestic and foreign fields. There were, in fact, very deep and fundamental divergences of views among the members of the Presidium, and the collective failed to function because the differences were not susceptible of compromise.

Three main issues divided the Soviet leaders. The first concerned the decentralization of industry.

After years of extolling the virtues of a centrally planned economy, some of the Soviet leaders have recently begun to stress the need of local initiative to improve efficiency at the plant level. By the use of local resources, it was hoped to ease the burden on transport facilities, minimize duplication of effort and stimulate managerial initiative.

Acting on these theories, Khrushchev recently forced through a program to decentralize away from Moscow many elements of control of

national system and by the development of an industrial and technical elite. Under the leadership of its well-known U. S. S. R. in the past decade has enormously speeded up the education of the Russian people, particularly in the scientific and technical field. As a result, the U. S. S. R. is turning out hundreds of thousands of graduates of schools corresponding to our high school and colleges. It is true that in their educational system they emphasize scientific and technical fields much more than social sciences and the humanities. But knowledge is not an inert substance. It has a way of sleeping across lines and into adjacent compartments of learning. The Soviet leaders, I firmly believe, cannot illuminate their scientific lecture halls and laboratories without also looking the light of truth into the history and economics of the world. Students cannot be conditioned to turning off their analytical processes when the instructor changes a topic.

Chinese Tried Criticism

Student and intellectual unrest is a troublesome challenge to a dictatorship. The Chinese Communists have continued briefly with planning critics by liberalizing their thought-control system, commending the doctrine known as "Let a hundred flowers bloom, let a hundred schools of thought contend," in the face of the far-reaching criticism promptly voiced by Chinese intellectuals. The few weeks ago resumed the practice of publicly executing students who dared to suggest that China's ill results in part from flaws in the Communist system itself. The education which Soviet and Chinese Communist leaders give their people is a dangerous commodity for a dictatorship. Men and women who have their critical faculties sharpened are beginning to question why the Russian people cannot be freed from rigid Communist discipline, given a greater economic share of the fruit of their labor, and allowed to participate, at least by an effective expression of consent, in their own government.

In the past, the Soviets counseled particularly upon their ability to appeal with success to the youth and the students. In 1905, Lenin wrote: "We are the party of the future but the future belongs to the young. We are the party of the youth of the party of the youth of the advanced class."

That proud boast could not be made today. The Hungarian students were ready for combat against the Soviets, but not for them. The deep disillusionment of the Polish youth not for them. The deep disillusionment of the Polish youth not for them. The deep disillusionment of the Polish youth not for them.

remains unresolved. Though Molotov was vigorously attacked for his mistaken attitude, Khrushchev, since the Polish and Hungarian revolts, has feared the contagious influence of granting more freedom anywhere. Certainly none of the Soviet leaders cares to remember the precepts of Lenin, who had this to say in 1917: "If Finland, if Poland, if the Ukraine break away from Russia, there is nothing bad about that. * * * No nation can be free if it oppresses other nations."

These were the major issues on which Khrushchev fought for, and by an eye-lash won, the leadership of the Soviet Union.

There are many other burning problems facing the new group ruling the Soviet Union. First of all, they have the problem of East-West competition, which for propaganda purposes at least they strongly claim to favor. Can the leaders really permit the people of the U. S. S. R. to have knowledge of the facts of life? Do they dare open up to the press, to radio, to television?

Except for certain supervised and guided tours, the answer to this so far seems to be: "no." We can guess how frightened they are from their panic-warnings to Soviet youth about being deceived by the words of the American boys and girls who went to Moscow recently for the big Soviet Youth Festival. Similarly, they do not dare publish such documents as the U. N. report on Hungary, nor Khrushchev's secret speech, the basic attack on Communist doctrine by the Yugoslav, "The New Class," in his recently published book, "The New Class." Instead of dealing with such criticisms openly, Soviet leaders try to sweep them under the rug and keep their own people in the dark.

Recent Soviet Novel Cited

There was recently published in Moscow a highly realistic novel with the eloquent title "Not By Bread Alone." It evoked great popular interest in the U. S. S. R. because it showed some of the sadder side of political life and bureaucracy in the Soviet Union today.

All the big guns of the Soviet regime began to fire at the author, Dudintsev, and Khrushchev himself recently rebuked the book as misguided and dangerous. It is significant that they have not yet banned it. Probably they were too late in realizing its subtle attack on the foundations of the Communist system.

By and large, the bulk of the Russian people still live in a dream world about everything outside the U. S. S. R., and the most tragic part about this is the distorted facts and fancies the Soviet leaders give their own people about the allegedly hostile attitudes of Americans toward them. The exchange of a few hundreds of Americans toward the Soviet Union is not enough. The barter-controlled traveling delegation, the exchange of a few hundreds of Americans toward the Soviet Union is not enough. The barter-controlled traveling delegation, the exchange of a few hundreds of Americans toward the Soviet Union is not enough.

ly is likely to produce considerable agricultural yields in normal years. Moreover, the combination of bureaucratic mismanagement and Communist neglect of the motivating force of personal incentives had resulted in an inefficiency of farm labor so great that it takes about one farm worker to feed and supply every four persons in the U. S. S. R., whereas the ratio in the United States is about one for every sixteen persons. Hence, 45 per cent of Soviet labor is on the farms as compared with 10 per cent of American workers.

Khrushchev Called Lucky

Khrushchev's responsibility for the policy of investing heavily in the semi-arid, agriculturally marginal "virgin" lands program is still to be determined, and Khrushchev's personal reputation is deeply involved. He has promised his people equality per capita with Americans in milk and butter by 1958 and in meat by 1961.

This latter would involve an increase of three and a half times in Soviet meat production which, to say the least, is an ambitious program, even taking into account the noted fertility of the soil, which is included in the Soviet calculations as well as their claimed ability to produce a larger number of twin lambs.

Finally, a third point arises between Khrushchev and his opponents lay in the reversal of foreign policy and policy toward the European satellites. Here Khrushchev was attacked by Molotov and his followers for having weakened the Soviet position by his policy of reconciliation with Yugoslavia and by his Austrian settlement.

He was, in fact, vulnerable to the charge of having opened flood gates to revolt by stimulating support for the doctrine of "differing roads to socialism," a heresy that is now threatening the monolithic structure of the Soviet empire.

For a time during the Hungarian revolution, the ranks in the Soviet leadership had closed, and Khrushchev personally as well as his opponents must bear the responsibility for the ruthless intervention in November, 1956. The scars of dissent remained, however, and in the indictment of Molotov by the Central Committee, his Yugoslav subject of particular criticism, and Austrian policies are the subject of particular criticism.

clim, Hungary goes unmentioned.

the great Soviet industrial machine, in the most sweeping reorganization of the economic management machinery since the first five-year plan was adopted in 1928. Some twenty-seven specialized economic ministries in Moscow were abolished and replaced by 105 regional economic councils.

Last June, several of Khrushchev's colleagues tried to reverse all this. The reason for the reorganization is readily understandable if one tries to conceive of the bureaucratic mess which we would have if we attempted to manage from the capital all the details of a growing industrial complex more dispersed geographically than that of the United States and approaching one-half of its size.

There should be eventual economic benefits from the decentralization, but Khrushchev's plan will create as many problems as it solves. A long period of transition and confusion is certain while new administrative channels and coordination channels are worked out. In the long run, there is the danger for the Soviet Union a kind of economic provincialism will develop to threaten the dominance of the central Government.

The reason for the bitter fight against this reorganization by many of Khrushchev's colleagues is clear. The decentralization will remove some of the power from the central Government in Moscow and transfer it to the provinces.

Here only two members of the presidium are in a position to exercise real influence — Khrushchev, through his control of the party machinery throughout the Soviet Union, and the military, present representatives by Marshal Zhukov.

The second issue dividing the Soviet leaders in June last was the agricultural problem, often called the Achilles heel of the Soviet system.

Khrushchev has been pressing for ever-increasing areas of state-controlled farm lands on the pattern of the huge development he had started in the so-called "virgin lands" east of the Caspian, in order to make good the shortcomings of communists' greatest flaw, the collectivized farm system. This involved some eighty to a hundred million acres—larger than the entire wheat acreage of the United States.

For many years, Soviet emphasis on heavy industry and military strength, drained manpower and capital investment away from the farms, making agriculture the step-child of the Stalinist economy. In contrast with the rapid growth rate of other parts of the Soviet economy, for the past twenty years Soviet production of agricultural commodities has failed to increase as fast as the population of the U. S. S. R.

After all, soil conditions, rainfall and temperature do not desert us as they do not the United States.

than 10 per cent of the country is likely to produce considerable agricultural yields in normal years.

sion of the Soviet Union. These factors appeal to new nations struggling with the task of making a government work among peoples who have had little experience with it and who at the same time have the desire to become quickly an industrial force in their own right.

The Soviet Government can still organize massive resistance propaganda circuses like the recent Moscow Youth Festival. They can train an ever increasing number of young scientists and technicians. They can bribe the ambitious with the rewards of power and special privilege in the swollen bureaucracy.

But they are finding it increasingly difficult to enlist in their cause the self-sacrificing and idealistic young men that Lenin once so counted on and who are the real motive power of successful revolutionary movements.

A Problem of Managers

The Soviet leaders also have the growing problem of the technical and managerial élite which has been created to run Soviet industry—now being decentralized. It will not be easy to restrain this class of people from using its critical skills to question the cumbersome governmental and Communist party bureaucracy and what it is doing—or not doing—to give the members of that élite a better life.

Probably it is out of respect for the growing perceptiveness of the people of Russia, and at least out of recognition of popular yearning for peace, that Soviet leaders have been forced to give lip service to disarmament, another grave problem before the Moscow leaders.

Now that the issue of conceding some form of inspection and control in the U. S. S. R. is squarely presented, they are hesitating. This prospect goes against every tradition and instinct of the secretive and suspicious Communist dictators.

These are some of the practical issues which Khrushchev now faces. There is no easy solution. After all, dictatorships, whether of the Stalin or of the Hitler type, can for a time exact great sacrifices from their peoples and achieve great materialistic accomplishments.

In fact, for a limited period, it may be easier for a dictatorship to make steel than bread and butter—easier to build a mighty war machine than to satisfy the moral, spiritual and material needs of a great diverse people. This is certainly the case with the Communist dictatorship in the U. S. S. R.

Today communism is more valuable as an article of export than it is as a solution for the problems of a country like the Soviet Union, which is making great strides in fields of material progress, but which has still found no way of creating a government which can meet the needs and aspirations of its people.

Appeal of Communism Noted

Undoubtedly in many areas of the world, particularly those recently freed from colonial rule, the image of communism still has an appeal. It seems to combine the advantages of strict discipline at the top with the promise

of new factors appeal to new nations struggling with the task of making a government work among peoples who have had little experience with it and who at the same time have the desire to become quickly an industrial force in their own right.

The politically unsophisticated peoples of the underdeveloped nations have yet to learn what the peoples of the Communist world are slowly coming to understand about Marxism and industrial growth. Djilas, the Yugoslav Communist heretic, put it well:

"Modern communism began as an idea with the inception of modern industry. It is dying out or being eliminated in those countries where industrial development has achieved its basic purposes. It flourishes in those countries where this has not yet happened."

In fact, I would add to this that the force of ideological Communism seems weakest in those countries like the U. S. S. R., where it has been the longest in control. It has its strongest appeal to the minds of these peoples in the underdeveloped areas of the world where they have had no practical experience with it.

Viewed in broad perspective, communism is only one of the many great revolutionary movements that have swept into world history. Such movements seemed to combine an ideology or a faith expressed as a program of action, and a discipline through a political or military machine capable of organizing the energies of the people in order to carry out the ideas that have captured their imaginations and loyalties.

I realize that historical analogies are notoriously treacherous. But there may be food for thought in comparing the evolution of Soviet communism with the classical periods of revolutionary movements. Possibly the closest parallel in history is with the French Revolution.

The pattern seems to be this: The intellectuals desert their political institutions and adopt what they call a "Reform program." Then revolutionary elements take over from the intellectuals and seize power, generally beginning with the moderates of the Denton type, and passing through the extremists like Robespierre, with a reign of inhuman zeal and terror. Successive groups of leaders are destroyed with each change in the tempo of the revolution.

As Vergniaud said in the course of the French Revolution, "The Revolution, like Saturn, devours its own children." Eventually, human nature rebels and demands a more normal life. Then the practical political and military leaders depose the extremists.

Reference To Napoleon

Finally, in the case of the French Revolution, there was the temptation, to which they quickly yielded, to indulge in foreign military adventure, and — eventually the access to power of the military man

There is, naturally, considerable speculation these days as to whether this last phase of the French Revolution will be repeated in the case of Soviet communism. I have no crystal-ball answer, but certainly military dictatorship is one of the possible lines of evolution in the Soviet Union.

From this analysis of developments in the Soviet Union, it is fair to conclude that I believe that the old Communist dialectic of Marx, Lenin and even Stalin does not answer the problems of the Soviet Union today—either those of its industrial growth or of its lasting control over the great peoples living within the Soviet Union.

It would flow from this that Khrushchav and whoever he may associate with himself in the leadership, assuming he keeps his control for a time, will have to determine how they are going to accomplish this dual task. Will they meet it by further relaxation, thereby increasing the moral and industrial potential of the Soviet Union itself, and the prospects of peace, but risking the loss of the satellite countries?

Will they attempt a reversion to something like Stalinism under another name as some of the tough, uncompromising language and actions from Moscow of recent days would suggest? Or will they be tempted to risk foreign venture with a view to uniting their people and their energies to meet alleged enemies they claim are encircling them?

Technology Is Gaining

These are the issues. I would not wish to suggest that what I have referred to as the decline of the Marxist communism has left the Soviet Union materially weak in facing them. The Soviet may be ideologically less menacing. Technologically, its power is still increasing.

Throughout the entire revolution, once the Communist regime was firmly established in Russia, the emphasis was placed on heavy industry, and on building up the war machine. This has been a constant policy and has been one phase of Soviet life that has not been affected by changing leaders or interpretations of Communist ideology.

After all, the men who are at the helm in the Soviet Union are not the original revolutionary heroes. Khrushchev and Mikoyan and their henchmen belong to the ever-present class of political careerists who see in a revolutionary movement the path to power and privilege. They did not make the revolution, like Lenin. It made them, and they want above all else to preserve their positions.

While Marxism at one time or another has invaded most segments of Soviet life, including the army with its political commissar and indoctrination agents, those who have planned the Soviet military build-up have been little hampered by it. In their concentration on the fields of nuclear energy, aircraft de-

velopment and construction and the development of guided missiles, they experienced little ideological interference except during brief periods of Stalin's last hectic days.

Take for example, the case of guided missiles. Here they never ceased work from the days of 1954 when they took over the German missile installation at Peenemuende with its rockets of a range between 150 to 200 miles. Now we know they have developed modern missiles of many times the power and efficiency of the German war-time models.

'Series of Contradictions'

The Soviet Union which we face today presents a series of contradictions. Its leader has practically unrestrained power except for such control as the military may exercise, backed by a formidable machine—a leader committed by his express policies to improve the lot of his people, and presumably committed also to relax the harsh controls of Stalin which he has described so vividly himself and which he purports to abhor.

At the same time, this leader, Khrushchev, faces the dilemma that any substantial relaxation at home or abroad, given the nature of the Communist dictatorship as it has evolved, may spell his own downfall. For he faces, and he knows it, a people who are questioning the basic tenets of Marxist communism, and in particular a student body that is becoming more and more vocal in demanding the truth and may not be satisfied with half measures.

The Communist leaders are also facing a growing body of highly educated, technologically competent men and women in the field of industrial management and production. It may prove impossible for them to stop the growing wave of intellectual unrest in the Soviet Union. Khrushchev cannot turn back education or stop technological development and keep the U.S.S.A. a great power.

Yet Khrushchev seems to be in a hurry to solve a whole series of such problems as I have described and gain the personal success necessary to maintain his own position.

In addition to all this, he has deeply committed himself in certain foreign adventures, particularly in the Middle East—partly, it may be assumed, to distract attention from problems at home and in the satellites. All this rightfully makes us cautious in our judgments and does not suggest that there are any quick or easy ways out in our relations with the U. S. S. R.

But over the longer range, we can rest assured that revolutionary Communist tyranny cannot provide a final answer or a satisfactory answer to the needs of a civilized community. No power on earth can restore the myth that communism is the wave of the future after 10,000,000 Hungarians, after a decade of experience with it, and at the risk of their lives, gave it such a resounding vote of no confidence.

The people of Russia, if given time to continue their evolution to freedom out of the narrow bounds of Communist dictatorship, will give us help to a peaceful answer.

EAST-WEST TRADE RISING IN EUROPE

U. N. Unit Finds It Doubled
Since 1952, but Volume
Is Less Than Pre-War

Special to The New York Times.

GENEVA, Sept. 22 (AP)—

The United Nations Economic Commission for Europe estimated today that trade between Eastern and Western Europe had doubled in the last five years and was still growing.

However, the commission noted in its report that "the pre-war volume is still far from being attained" although the flow reached a new post-war peak last year.

The value of trade between Western Europe and the Soviet bloc was 20 per cent greater in 1956 than in the previous year. The United Nations agency said the same rate of increase was attained during the first four months of 1957.

The urgent need in Eastern Europe for increasing amounts of imported goods was cited as one of the motivating forces behind the rise. In Western Europe, the relaxation of import controls and currency restrictions stimulated trade expansion, the commission said.

Share of Trade Rises

Western Europe's share of Eastern Europe's trade increased from 15 per cent in 1952 to almost 19 per cent in 1956. However, Eastern Europe's share in Western Europe's total trade remained nearly stable during the five-year period at about 3 per cent, the commission reported.

Steel exports from Western Europe to Eastern Europe rose from 400,000 tons in 1955 to more than 1,000,000 tons in 1956. Most of the increase was supplied by West Germany, Belgium, Luxembourg, Italy and Austria.

The Western European shipbuilding industry, which is operating at full capacity, has accepted "important new orders from the Soviet Union and also from Poland, which has planned to expand its ocean-going fleet," the commission said.

Eastern European exports of grain to Western European countries increased from 1,100,000 tons to 1,800,000 tons between 1955 and 1956 while deliveries in the opposite direction stayed at about 850,000 tons. Western Europe as a whole was probably a net importer of grain last year, the commission added.

Poles to Continue Exports

In its forecast of trends, the commission said that in 1957 Poland would maintain her coal exports to Western Europe while her exports to Eastern Europe would be halved. Last year Poland sent 21,500,000 tons of coal to Western European countries.

"In many Eastern European countries, foreign trade problems are now receiving more

Reds Eye Private Enterprise To Solve Housing Shortage

CPYRGHT

MOSCOW, Sept. 18 (INS)—

Russia's government is turning toward private enterprise to solve the Soviet Union's housing shortage!

This was revealed following a series of conferences between Russian housing bosses and Norman K. Winston, a New York construction specialist, who reported the former conveyed to him "their desire to increase housing by encouraging personal ownership of homes

and the ground surrounding them."

Winston made his disclosures after meeting with Vladimir G. Ermolenko, construction specialist for the Soviet Council of Ministers.

"He told me," said Winston, "that he and his colleagues now have a plan functioning whereby individuals can secure from

the Soviet Government plots of land large enough for fair-sized homes and kitchen gardens."

A kitchen garden is described as a small plot of land adjoining a home in which garden vegetables are grown for family consumption.

The Russians also are embracing the good old American custom of assisting the would-be homeowners financially with the Government mortgage loans

ranging from \$1,000 to \$1,500, repayable in from seven to 15 years.

This, of course, would be a direct descendent of America's Federal Housing Administration policy of helping finance home construction.

The New York housing specialist said he promised the Soviet authorities information on housing plans designed for middle income families, plus a memorandum on how such projects were financed in the United States.

VISITS APARTMENTS

This latter data, it was pointed out, would show that in 20 years of operation the F. H. A.'s total loss was less than one-tenth of 1 percent.

Winston visited a number of finished apartments in the Moscow area and observed:

"My feeling is that the Russians will live up to their promises to build 60,000 new housing units in 1957 and 100,000 in 1958 (in the Moscow area).

"This plan has been speeded up by 'interesting' new Soviet processes such as rolling cement slabs like steel, using them for prefabricated walls."

Winston plans to return to Moscow in April, next year, at the invitation of the Soviet building industry.

CPYRGHT

London Times
SEP 15 1957

CPYRGHT
Russian Candle

ONE subject is never stale—the life and politics of Russia. So I was pleased when a career diplomat, stationed in Moscow, came to my house recently and gave me an illuminating account of People and Things in the Soviet today. One change that may be significant is the growing respect or perhaps the growing fear of internal public opinion on the part of the rulers.

It is understandable that the Russian people no longer look to their newspapers for political enlightenment, since they rightly regard the Soviet Press as the automatic mouthpiece of the Government. Therefore it is encouraging that the public meeting is having a considerable revival. Needless to say this did not happen spontaneously. It was after Malenkov's deposition that Mr. Khrushchev decided there should be nationwide political gatherings where the leaders who kept office could tell the people how the malefactors had sinned.

Mr. Khrushchev even went so far as to invite questions. Although there is no record that any member of the audience asked him why he did not resign. "The truth is," said my informant, "that even the Russian people will not be content to live for ever under a Government which refuses to give some account of its actions."

"It is only a flickering candle," he said, "but at least he candle is lit."

CPYRGHT

N. Y. Times

SEP 23 1957

SOVIET CITES MILK GAIN

Output in First 8 Months of '57 Up 21%, Pravda Says

MOSCOW, Sept. 22 (AP)—

Pravda produced today the latest figures on the Soviet Union's effort to exceed the United States in milk production by 1960.

The Communist party newspaper said Soviet cows had produced 3.2 million tons of milk in the first eight months of this year. It said this was 21 per cent more than in the same period of 1956.

In the eight-month period, the average production per cow was 1,496 kilograms (3,307.06 pounds), the paper said. It added that cows in the Moscow area were the best producers with a per-cow average of 2,450 kilograms (5,404.5 pounds).

The average in the United States is more than 5,000 pounds.

CPYRGHT

N. Y. Times

SEP 23 1957

Soviet Loans Total Billions

MOSCOW, Sept. 22 (AP)—

The Soviet Union's loans to other Communist nations are big business. The Soviet press reports these loans totaled 21,000,000,000 rubles during the ten-year period beginning in 1945. With the ruble officially valued here at 25 cents, that would be \$525,000,000,000.